

## THE GOALS FOR M. VAN COTT.

Treasury Reports Reflect on Him as a Government Officer.

FUEL ACCOUNT MADE GOOD

Inspector Found "Criminal Carelessness" in the Methods of Van Cott & Terhune.

LAWSUIT HAS UNCOVERED ALL.

It is Brought on an Assigned Claim of His Former Partner, but is Quite Likely to Be Settled Out of Court.

Cornelius Van Cott is said to be slated for Collector of the Port of New York under the McKinley Administration. It is, perhaps, unfortunate that a certain lawsuit should be called for trial just at this time, for the testimony includes, as a part of the court record, certain Government reports that are thought by many to reflect on Mr. Van Cott pretty severely.

The suit is that of James Bermingham against Cornelius Van Cott. The trial was to have come on yesterday in Part III, of the Supreme Court, but was postponed till Wednesday. It may not be tried then, as it is understood an effort is being made by the defense to settle it out of court.

The Government reports referred to are certified with the seal of the Secretary of the Treasury, and are on file with all the other documents in the case, in the office of the County Clerk. The Government reports state that certain contracts for coal to be used in the New York Post Office and the Custom House. They are alleged to have been entered into between the Government on recommendation of Cornelius Van Cott, Postmaster and custodian of the Federal Building, and the firm of Van Cott & Terhune, coal dealers. The papers have been on file since February 11.

Bermingham sued as the present holder of a claim of about \$1,900 assigned to him by William Terhune. The claim is for the price of 400 tons of coal furnished to Van Cott by Terhune. The report was made to Charles Foster, then Secretary of the Treasury, under date of March 11, 1892, and is signed by J. E. Powell, Inspector of Electric Lights. The report was the outcome of an investigation ordered in February, 1892, by the Secretary of the Treasury. Accompanying the report are certified abstracts of sworn testimony by a number of ex-Postmaster Van Cott's staff, including Second Assistant Postmaster Gregory, Deputy Collector of Internal Revenue Ackerman, Watchman Taylor, Janitor Morgan, Chief Engineer Ferrell and three assistant engineers employed in the Federal building during Mr. Van Cott's incumbency as Postmaster and custodian.

**Not Enough Coal.**  
Inspector Powell says the Treasury Department received from July 21 to December 30, 1891, vouchers signed by Custodian Van Cott for 2,067 tons of coal, furnished by Van Cott & Terhune, and that there was a discrepancy between the amount of coal covered by the vouchers and the amount certified as consumed by the engineer's department of over 500 tons. It was this discrepancy Mr. Powell was sent to investigate.

Mr. Powell further says he examined everybody about the building who had anything to do with the receipt, weighing, handling and receipting for the coal, and that from their sworn testimony he was obliged to conclude such a discrepancy as was alleged did exist. He found, also, that Mr. Terhune, of Van Cott & Terhune, weighed the coal and signed the weigh slips. Weigher Taylor did not receive these, as Terhune kept them in his possession and presented them at the office of the assistant custodian when the time came to make out the vouchers.

In some instances, says Mr. Powell, the janitor made out vouchers, and Weigher Taylor testified that the certificates signed by him were not compared with the weights. Lots of coal were delivered sometimes without being weighed.

"It is clearly apparent," says Mr. Powell, "that the certification of these vouchers was criminally careless, while the presumption of their being fraudulent is sustained by this significant fact, discovered by me since my return to the department, by an examination of the original vouchers on file in this office. One for 1,269 tons, at a cost of \$5,144.02, and one for 345 tons, at a cost of \$1,400.70, were certified by said Taylor, when sworn testimony and weight books both prove he did not weigh any portion of the entire 1,614 tons."

**Criminally Careless.**  
"I am of opinion that this entire matter of the preparation and certification of these vouchers has been most culpably and criminally careless."

"The result I believe to be attributable to several causes, primarily that the custodian, by reason of his duties as postmaster, could not possibly find time to attend to the duties of the former position. He then recommended the immediate dismissal of Weigher Burnett Taylor, and says: 'I recommend that no further coal for this building be bought of Van Cott & Terhune.'"

Shortly before the Powell report went to the department, on Mr. Van Cott's assurance that his bid was the lowest sent in in response to the legal advertisement, the Treasury Department authorized him to contract with William Terhune for 1,000 tons of Lehigh coal, at \$4.52 a ton. Terhune demanded five days' time for the fulfillment of the order, and Mr. Van Cott, notifying the department of that, asked authority to buy coal in the open market for immediate use. L. Crouse, Assistant Secretary of the Treasury, wrote him the following day, and contracted with Philip Markey, of No. 840 Tenth avenue, to supply the same quality of coal at \$4.48 a ton. Crouse added that Mr. Van Cott could consider the contract made with Terhune revoked. To this Van Cott wired that Terhune, "by going to coal at \$4.48 a ton, had already begun the delivery of the coal under contract," and urged that he be allowed to fulfil his contract in full. The answer came to the effect that Terhune had delivered 250 tons of the 1,000 contracted, but not more.

It would appear that after this incident the purchase of coal was taken out of the hands of Custodian Van Cott by the Treasury Department. A batch of letters and telegrams that passed between the Assistant Secretary and Van Cott's coal dealers would indicate that the department solicited bids and made contracts direct.

On March 30, F. A. Stocks, head clerk, wrote to George W. Winant, of No. 35 Ninth avenue, accepting a bid lower than any of Terhune's and Van Cott's bids, and awarding a contract for a big supply of coal. Under the same date he notified Philip Markey his bid was too high and

that the contract had been awarded to Winant.

**Not Enough Publicity.**  
Under date of March 30, 1892, L. Crouse, Assistant Secretary of Treasury wrote to Mr. Van Cott that he had not in the past given sufficient publicity to the advertisement for coal, as was evidenced by the fact that Markey's bid was much lower than those of Terhune, or Van Cott & Terhune. In this letter the Assistant Secretary referred to "the circumstances surrounding the transactions" with Terhune, and to "the looseness attending the weighing and delivering of coal under contracts made by Mr. Van Cott."

Under date of April 9 Mr. Crouse wrote in reply to a letter in which Mr. Van Cott inclosed vouchers for \$391.50, made payable to William Terhune, and urging the immediate payment of Terhune's bill. Mr. Crouse said: "There is no record in the department authorizing the purchase of the coal covered in the vouchers, which are herewith returned. The price charged is excessive."

There is correspondence of about the same date to show that on receipt of Inspector Powell's report, the Secretary of the Treasury applied to Edward Mitchell, then United States District Attorney, asking him to see that the 400 tons deficit in Mr. Van Cott's fuel account was "made good." Mr. Mitchell called on Mr. Van Cott in New York, and asked him to make good the deficit at once. He notified the Secretary of the Treasury of his next letter, signed by Charles Foster, secretary of the Treasury, acknowledging the receipt of Mr. Van Cott's communication and mentioned Mr. Mitchell's demand.

A credit of ninety-one tons against the original deficit reduced it to 400 tons. That quantity at \$4.50 a ton is represented, it is said, by the claim brought by Bermingham against Mr. Van Cott. Former Assistant District Attorney Van Allen is attorney of record for Mr. Bermingham, and Maitland, Lesler, of No. 108 Fulton street, is counsel.

**The Ex-Postmaster's Side.**  
Ex-Postmaster Van Cott was found last night at the Lincoln Club. He said: "When I was postmaster, Terhune, who was in partnership with my brother, Whitefield, supplied the Post Office building with coal. I discovered a shortage and notified the Treasury Department. As a consequence it was found that Terhune was about 400 tons short. The money for the coal was held back until he put it in. 'The suit against me is to recover the value of the extra coal Terhune had to put in. The case is about settled, and the compromise came from the other side.'"

**PREACHER MUST PAY \$100.**

He Hired a Camera Fiend, and Shapiro Was Hurt While Scaling a Fence.

Joseph Shapiro got a verdict of \$100 yesterday in the City Court against Herman Warszavik, the converted Jew, who made a fight for admission to the Presbyterian some time ago. Warszavik was conducting the Church of the Sea and Land, his



Patriot Gaffney Honorably Freed in the Centre Street Court.

The charge of grand larceny made by Timothy J. Gaffney fell to the ground yesterday, Lawyer Brunner admitting that no action should have been taken. Lawyer McIntyre declares his belief that Mr. Gaffney was the intended victim of a conspiracy, and says a certain man will be prosecuted.

object being to convert Jews to Presbyterianism. Rev. Dr. Schaeffer said the services were poorly attended. In order to show the contrary, Warszavik stationed a photographer opposite the church on Saturday, May 15, 1895, and told him to take a snapshot of the people as they came out of church.

Warszavik locked the iron gates about the enclosure. The Jews had an objection to being photographed coming out of a Presbyterian Church. When they saw the camera focused on them there was a riot. Shapiro, who is twenty years of age, tried to get over the fence. He was grabbed by Mark Matuschek, one of the ushers, and pulled back into the yard. In the scuffle Shapiro had his foot torn by the spikes and his leg was broken. He brought suit for \$2,000.

**Hamberger Refuses an Offer.**  
Mayor Strong yesterday asked ex-Commissioner Julius Hamberger to take the position of Superintendent of the Outdoor Park, to fill the vacancy caused by the death of William Blake. The salary is \$3,000, but Mr. Hamberger declined the offer. He said he was not a politician, and that he was not interested in the position.

Mr. Hamberger is a well-known figure in the city. He was a member of the New York State Assembly, and was a member of the New York State Senate. He was also a member of the New York State Bar Association.

## GAFFNEY A VICTIM OF CONSPIRACY?

The Irish Patriot Honorably Discharged—No Case of Larceny.

WIFE TELLS OF LETTERS.

Says They Threatened Harm Unless Cagney's Case Was Settled.

ACCUSES LAWYER FRUMBERG.

Declares He Took Money to Procure Bail—McIntyre Says He Will Try to Have Him Disbarred.

T. St. John Gaffney, the Irish patriot and leader, who was arrested at his home, No. 333 West Seventy-seventh street, on the evening of February 26 on a warrant sworn out by Timothy J. Cagney, a bookbinder, of No. 68 Leonard street, charging Mr. Gaffney with grand larceny, was arraigned and honorably discharged in the Centre Street Police Court yesterday afternoon.

The story of Mr. Gaffney's troubles was told exclusively in the Journal, but it remained for the public examination to bring out facts which may result in a searching examination by the Grand Jury and may involve a lawyer.

The specific charge against Mr. Gaffney was that on March 7, 1892, he issued a check on the now defunct St. Nicholas Bank, of Wall street, after having withdrawn his account. On the evening of February 26 Mr. Gaffney was confronted by Detective Treney, Abraham Frumberg, of the law firm of Russell, Winship & Frumberg, and A. J. Kaffenberg, of Howe & Hummel's office, who had been retained by Mr. Frumberg.

Mrs. Gaffney testified yesterday that after her husband's arrest and her unsuccessful attempt to obtain bail, young lawyer Frumberg called her aside.

"He told me," said she, "that for \$150 he

ancient grudge. He will certainly be prosecuted."

"Then there is a lawyer. When he found Mrs. Gaffney could not secure bail he offered to get it for a consideration. I shall place his case before the Appellate Division of the Supreme Court, and do my best to have him disbarred."

"The whole affair looks like a conspiracy, and it shall be proved to the bottom."

When the case was called yesterday many prominent persons and fifty or more Irish patriots accompanied Mr. Gaffney into the room.

"We are all ready, Your Honor," said Mr. McIntyre, facing Magistrate Crane, "to go on with the case."

Lawyer Brunner jumped to his feet. "I have looked over the papers," he said, "and I am convinced that no action should ever have been taken against Mr. Gaffney. We therefore do not care to prosecute."

**Honorably Discharged.**  
"I ask that my client be honorably discharged," said Mr. McIntyre, "and meanwhile I reserve the right to take the case to a higher tribunal."

"Mr. Gaffney is honorably discharged," replied Magistrate Crane, "and I shall have a note made of the case for future reference."

Cagney stated that his charge had been made in good faith and denied any collusion whatsoever.

Mr. Gaffney declared he would bring the conspirators to justice.

"The checks given to Cagney," said he, "were for his own accommodation and I thought until recently they had been cared for. The first I learned to the contrary was when he called on Mr. Lyddy, a friend of mine and offered to sell them at a premium."

"Yes," chimed in Mr. Lyddy, "he demanded \$150 for a thirty dollar check."

The end of this strange case is not yet

known.

It is held by persons thoroughly familiar with the workings of the department that the finding is now binding as far as any de-

partment of the Interior can be.

The Secretary of the Interior, if he does not stop the workings of the Land Office, may have to be settled by the courts of the country.

The connection of Carlisle with the case has caused a great deal of comment. It is claimed that as Secretary of the Treasury

he had no right to be retained in a suit in which the property of the United States

was in question. Some of the ex-Secretary's friends claim that he was retained to appear in the case when it comes up for

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## FRANCIS DEFIED BY LAMOREAUX.

McKee Scrip Order Issued in Spite of the Secretary's Instructions.

A ROW OVER THE MATTER.

Land Commissioner and Chief of the Interior Had an Animated Controversy.

CARLISLE FIGURES IN THE CASE.

Retained by Benner and La Follette, Who Claim Enormously Valuable Land in Chicago—Bliss to Investigate.

Washington, March 8.—The decision of S. W. Lamoreaux, Commissioner of the General Land Office, giving to Benner and La Follette, holders of the McKee scrip, the right to ask for patents on an enor-

mously valuable tract of land on the North Side, Chicago, as published in to-day's Journal, was made in defiance of the orders of Secretary of the Interior Francis.

The land involved includes Lake Shore Drive and runs from the Chicago River to Lincoln Park and from St. Clair street to Lake Michigan. The McKee scrip was bought by Mathias Benner, former chief of the Chicago Fire Department, and Harvey M. La Follette, former superintendent of instruction of Indiana, a year ago from Louisville bankers for \$37,000. It was issued to a Mexican war veteran and his heirs disposed of it to the bankers. Senator Blackburn in 1880 secured the passage of an act authorizing the issue of new scrip in place of the old, and granting the holders of it the right to locate "upon any vacant land in the United States."

Benner and La Follette decided to "locate" on the North Side (Chicago) land, which had never been surveyed by the Government. The title of the land is now held by the Lincoln Park Board. Mr. Kirk, the soap manufacturer; Potter Palmer, N. K. Fairbanks, John V. Farwell and others.

Lamoreaux's finding was signed after the commissioner of the land office had held a heated personal controversy with Secretary Francis. The Secretary of the Interior issued an order prohibiting the promulgation of the finding, John G. Carlisle, Secretary of the Treasury. It is claimed, was retained by the winning side.

Two decisions were written, one on each side of the case. Finally the Commissioner himself makes the finding public through one of the attorneys on the successful side, who lives in Milwaukee.

**To Reopen the Case.**  
The new Secretary of the Interior, Mr. Bliss, will have the case reopened for investigation. The case is one of the most badly tangled that has ever come out of the Interior Department, and that department has a record on its files. The power of the General Land Commissioner, and of the Secretary of the Interior, and the right of a government official to be retained in a case where government issues are at stake, are all to be settled.

After the hearings last Fall the case was turned over to the regular attorneys in the Commissioner's office, and February

20 the attorney having the papers in charge presented his report to Judge Lamoreaux, finding for the present occupants of the land. This decision did not suit the Commissioner. He said so plainly, and started to write an opinion of his own finding for the scrip people. Secretary Francis, heard of this, and then the trouble began. Judge Lamoreaux was summoned to the office of the Secretary of the Interior. The interview which followed was heated. Mr. Francis did not like the proceedings, and said so. Judge Lamoreaux and Secretary Francis reached his office before he was told that the Secretary would issue an order which would keep the Commissioner from promulgating his decision. No scruples did Commissioner Lamoreaux hear this than he attached his signature to the finding he had written himself, and gave it to Assistant Commissioner Best, with instructions to promulgate it.

**Had the Decision Published.**  
Then he left the office, after making a copy of the decision, and has not been seen there since. He refused to return to the office, and March 2 took a train for his home in Wisconsin.

He stopped off at Milwaukee and gave a copy of the decision to ex-Congressman Somers, of that city. It is one of the attorneys for the scrip holders.

Secretary Francis, on February 22, went to his office in the Interior Department and issued an order directing the General Land Office to withhold the decision from promulgation. It is said he argued that his being kept within the office would keep the finding of Judge Lamoreaux from becoming a law. It is probable that Commissioner Lamoreaux heard of this and blocked the Secretary's plans by giving out a copy of the decision to the attorneys for the scrip holders.

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